

House Bill 2709

Sponsored by Representative EVANS (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Says a person may not get a fee from a resident to cover the resident's car with an extended warranty if the person knows that the car does not qualify for the warranty. Tells the person to ask for enough information to decide whether the car qualifies. Says that the person must cover the car even if it doesn't qualify if the person takes a fee from the resident. Takes effect 91 days after the session ends. (Flesch Readability Score: 63.1).

Prohibits a warrantor from accepting a fee from a resident for an extended warranty unless the warrantor knows that the resident's motor vehicle qualifies for coverage under the extended warranty. Requires the warrantor to request and obtain information needed to assess whether the motor vehicle qualifies for coverage.

Requires a warrantor to provide coverage under an extended warranty for a motor vehicle that does not qualify for coverage if the warrantor accepted a fee to provide the extended warranty.

Punishes a violation of the Act as an unlawful practice under the Unlawful Trade Practices Act. Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to a warrantor's obligations with respect to extended warranties for motor vehicles; cre-
3 ating new provisions; amending ORS 646.608; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

SECTION 1. (1) As used in this section:

5
6 (a) **"Extended warranty" means an agreement between a warrantor and a resident that**
7 **specifies:**

8 (A) **The scope of the warrantor's responsibility to cover the cost of parts and services**
9 **necessary to maintain, repair or replace a motor vehicle or a component of a motor vehicle;**

10 (B) **The amount the resident must pay as a fee to obtain from the warrantor the cover-**
11 **age described in subparagraph (A) of this paragraph;**

12 (C) **The effective date and duration of the agreement or any condition or event, such as**
13 **the expiration of a manufacturer's warranty, that gives rise to the warrantor's obligation to**
14 **provide coverage under the agreement; and**

15 (D) **Any conditions, qualifications or limitations on the warrantor's coverage.**

16 (b) **"Fee" means compensation that a warrantor receives for providing an extended war-**
17 **ranty to a resident, whether the compensation is denominated as a fee, premium, charge or**
18 **other payment.**

19 (c) **"Motor vehicle" means a passenger motor vehicle, as defined in ORS 801.360, that is**
20 **purchased in this state or is purchased outside this state but is registered in this state.**

21 (d) **"Resident" means a natural person who resides in this state.**

22 (e) **"Warrantor" means a person that in return for a fee provides an extended warranty**
23 **to a resident.**

24 (2)(a) **A warrantor may not accept a fee from a resident for an extended warranty unless**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 the warrantor knows that the resident's motor vehicle qualifies for coverage under the
 2 warrantor's extended warranty.

3 (b) As part of an application for an extended warranty, and before entering into an
 4 agreement to provide the extended warranty, a warrantor shall request and obtain sufficient
 5 information from the resident about the resident's motor vehicle to verify that the motor
 6 vehicle qualifies for coverage. The warrantor may request commercially reasonable infor-
 7 mation that is suited to assessing the warrantor's risks under the extended warranty, such
 8 as the age and condition of the motor vehicle, the purposes for which the resident uses the
 9 motor vehicle, any accessories or replacement parts installed in or on the motor vehicle and
 10 whether the motor vehicle was modified or altered in a way that significantly changed the
 11 motor vehicle's design, condition or operation from the design, condition or operation in
 12 which the manufacturer originally delivered the motor vehicle.

13 (3) If a warrantor accepts a fee for an extended warranty for a motor vehicle that the
 14 warrantor later determines does not qualify for coverage under the extended warranty, the
 15 warrantor nevertheless for the duration of the extended warranty agreement shall treat the
 16 motor vehicle as if the motor vehicle qualified for coverage and shall provide the coverage
 17 for the motor vehicle that the extended warranty provides for other motor vehicles that or-
 18 dinarily qualify for coverage.

19 (4) A provision of an extended warranty that requires a resident to bring an action to
 20 settle a dispute or obtain a remedy in a jurisdiction outside this state is void and
 21 unenforceable.

22 (5) A warrantor's violation of subsection (2) or (3) of this section is an unlawful practice
 23 under ORS 646.608.

24 **SECTION 2.** ORS 646.608, as amended by section 6, chapter 410, Oregon Laws 2023, is amended
 25 to read:

26 646.608. (1) A person engages in an unlawful practice if in the course of the person's business,
 27 vocation or occupation the person does any of the following:

28 (a) Passes off real estate, goods or services as the real estate, goods or services of another.

29 (b) Causes likelihood of confusion or of misunderstanding as to the source, sponsorship, ap-
 30 proval, or certification of real estate, goods or services.

31 (c) Causes likelihood of confusion or of misunderstanding as to affiliation, connection, or asso-
 32 ciation with, or certification by, another.

33 (d) Uses deceptive representations or designations of geographic origin in connection with real
 34 estate, goods or services.

35 (e) Represents that real estate, goods or services have sponsorship, approval, characteristics,
 36 ingredients, uses, benefits, quantities or qualities that the real estate, goods or services do not have
 37 or that a person has a sponsorship, approval, status, qualification, affiliation, or connection that the
 38 person does not have.

39 (f) Represents that real estate or goods are original or new if the real estate or goods are de-
 40 teriorated, altered, reconditioned, reclaimed, used or secondhand.

41 (g) Represents that real estate, goods or services are of a particular standard, quality, or grade,
 42 or that real estate or goods are of a particular style or model, if the real estate, goods or services
 43 are of another.

44 (h) Disparages the real estate, goods, services, property or business of a customer or another
 45 by false or misleading representations of fact.

1 (i) Advertises real estate, goods or services with intent not to provide the real estate, goods or
 2 services as advertised, or with intent not to supply reasonably expectable public demand, unless the
 3 advertisement discloses a limitation of quantity.

4 (j) Makes false or misleading representations of fact concerning the reasons for, existence of,
 5 or amounts of price reductions.

6 (k) Makes false or misleading representations concerning credit availability or the nature of the
 7 transaction or obligation incurred.

8 (L) Makes false or misleading representations relating to commissions or other compensation to
 9 be paid in exchange for permitting real estate, goods or services to be used for model or demon-
 10 stration purposes or in exchange for submitting names of potential customers.

11 (m) Performs service on or dismantles any goods or real estate if the owner or apparent owner
 12 of the goods or real estate does not authorize the service or dismantling.

13 (n) Solicits potential customers by telephone or door to door as a seller unless the person pro-
 14 vides the information required under ORS 646.611.

15 (o) In a sale, rental or other disposition of real estate, goods or services, gives or offers to give
 16 a rebate or discount or otherwise pays or offers to pay value to the customer in consideration of
 17 the customer giving to the person the names of prospective purchasers, lessees, or borrowers, or
 18 otherwise aiding the person in making a sale, lease, or loan to another person, if earning the rebate,
 19 discount or other value is contingent upon an event occurring after the time the customer enters
 20 into the transaction.

21 (p) Makes any false or misleading statement about a prize, contest or promotion used to publi-
 22 cize a product, business or service.

23 (q) Promises to deliver real estate, goods or services within a certain period of time with intent
 24 not to deliver the real estate, goods or services as promised.

25 (r) Organizes or induces or attempts to induce membership in a pyramid club.

26 (s) Makes false or misleading representations of fact concerning the offering price of, or the
 27 person's cost for real estate, goods or services.

28 (t) Concurrent with tender or delivery of any real estate, goods or services, fails to disclose any
 29 known material defect or material nonconformity.

30 (u) Engages in any other unfair or deceptive conduct in trade or commerce.

31 (v) Violates any of the provisions relating to auction sales, consignment sales, auctioneers,
 32 consignees or auction marts under ORS 698.640, whether in a commercial or noncommercial situ-
 33 ation.

34 (w) Manufactures mercury fever thermometers.

35 (x) Sells or supplies mercury fever thermometers unless the thermometer is required by federal
 36 law, or is:

37 (A) Prescribed by a person licensed under ORS chapter 677; and

38 (B) Supplied with instructions on the careful handling of the thermometer to avoid breakage and
 39 on the proper cleanup of mercury should breakage occur.

40 (y) Sells a thermostat that contains mercury, unless the thermostat is labeled in a manner to
 41 inform the purchaser that mercury is present in the thermostat and that the thermostat may not be
 42 disposed of until the mercury is removed, reused, recycled or otherwise managed to ensure that the
 43 mercury does not become part of the solid waste stream or wastewater. For purposes of this para-
 44 graph, "thermostat" means a device commonly used to sense and, through electrical communication
 45 with heating, cooling or ventilation equipment, control room temperature.

- 1 (z) Sells or offers for sale a motor vehicle manufactured after January 1, 2006, that contains
2 mercury light switches.
- 3 (aa) Violates the provisions of ORS 803.375, 803.385 or 815.410 to 815.430.
- 4 (bb) Violates ORS 646A.070 (1).
- 5 (cc) Violates any requirement of ORS 646A.030 to 646A.040.
- 6 (dd) Violates the provisions of ORS 128.801 to 128.898.
- 7 (ee) Violates ORS 646.883 or 646.885.
- 8 (ff) Violates ORS 646.569 or 646A.374.
- 9 (gg) Violates the provisions of ORS 646A.142.
- 10 (hh) Violates ORS 646A.360.
- 11 (ii) Violates ORS 646.553 or 646.557 or any rule adopted pursuant thereto.
- 12 (jj) Violates ORS 646.563.
- 13 (kk) Violates ORS 759.680 or any rule adopted pursuant thereto.
- 14 (LL) Violates the provisions of ORS 759.705, 759.710 and 759.720 or any rule adopted pursuant
15 thereto.
- 16 (mm) Violates ORS 646A.210 or 646A.214.
- 17 (nn) Violates any provision of ORS 646A.124 to 646A.134.
- 18 (oo) Violates ORS 646A.095.
- 19 (pp) Violates ORS 822.046.
- 20 (qq) Violates ORS 128.001.
- 21 (rr) Violates ORS 646A.800 (2) to (4).
- 22 (ss) Violates ORS 646A.090 (2) to (5).
- 23 (tt) Violates ORS 87.686.
- 24 (uu) Violates ORS 646A.803.
- 25 (vv) Violates ORS 646A.362.
- 26 (ww) Violates ORS 646A.052 or any rule adopted under ORS 646A.052 or 646A.054.
- 27 (xx) Violates ORS 180.440 (1) or 180.486 (1).
- 28 (yy) Commits the offense of acting as a vehicle dealer without a certificate under ORS 822.005.
- 29 (zz) Violates ORS 87.007 (2) or (3).
- 30 (aaa) Violates ORS 92.405 (1), (2) or (3).
- 31 (bbb) Engages in an unlawful practice under ORS 646.648.
- 32 (ccc) Violates ORS 646A.365.
- 33 (ddd) Violates ORS 98.853, 98.854, 98.856 or 98.858.
- 34 (eee) Sells a gift card in violation of ORS 646A.276.
- 35 (fff) Violates ORS 646A.102, 646A.106 or 646A.108.
- 36 (ggg) Violates ORS 646A.430 to 646A.450.
- 37 (hhh) Violates a provision of ORS 744.318 to 744.384.
- 38 (iii) Violates a provision of ORS 646A.702 to 646A.720.
- 39 (jjj) Violates ORS 646A.530 30 or more days after a recall notice, warning or declaration de-
40 scribed in ORS 646A.530 is issued for the children's product, as defined in ORS 646A.525, that is the
41 subject of the violation.
- 42 (kkk) Violates a provision of ORS 697.612, 697.642, 697.652, 697.662, 697.682, 697.692 or 697.707.
- 43 (LLL) Violates the consumer protection provisions of the Servicemembers Civil Relief Act, 50
44 U.S.C. 3901 et seq., as in effect on January 1, 2010.
- 45 (mmm) Violates a provision of ORS 646A.480 to 646A.495.

1 (nnn) Violates ORS 646A.082.

2 (ooo) Violates ORS 646.647.

3 (ppp) Violates ORS 646A.115.

4 (qqq) Violates a provision of ORS 646A.405.

5 (rrr) Violates ORS 646A.092.

6 (sss) Violates a provision of ORS 646.644.

7 (ttt) Violates a provision of ORS 646A.295.

8 (uuu) Engages in the business of, or acts in the capacity of, an immigration consultant, as de-
9 fined in ORS 9.280, in this state and for compensation, unless federal law authorizes the person to
10 do so or unless the person is an active member of the Oregon State Bar.

11 (vvv) Violates ORS 702.012, 702.029 or 702.054.

12 (www) Violates ORS 646A.806.

13 (xxx) Violates ORS 646A.810 (2).

14 (yyy) Violates ORS 443.376.

15 (zzz) Violates a provision of ORS 646A.770 to 646A.787.

16 (aaaa) Violates ORS 815.077.

17 **(bbbb) Violates section 1 (2) or (3) of this 2025 Act.**

18 (2) A representation under subsection (1) of this section or ORS 646.607 may be any manifesta-
19 tion of any assertion by words or conduct, including, but not limited to, a failure to disclose a fact.

20 (3) In order to prevail in an action or suit under ORS 336.184 and 646.605 to 646.652, a prose-
21 cuting attorney need not prove competition between the parties or actual confusion or misunder-
22 standing.

23 (4) An action or suit may not be brought under subsection (1)(u) of this section unless the At-
24 torney General has first established a rule in accordance with the provisions of ORS chapter 183
25 declaring the conduct to be unfair or deceptive in trade or commerce.

26 (5) Notwithstanding any other provision of ORS 336.184 and 646.605 to 646.652, if an action or
27 suit is brought under subsection (1)(xx) of this section by a person other than a prosecuting attor-
28 ney, relief is limited to an injunction, and the prevailing party may be awarded reasonable attorney
29 fees.

30 **SECTION 3. Section 1 of this 2025 Act and the amendments to ORS 646.608 by section 2**
31 **of this 2025 Act apply to extended warranties into which a warrantor and resident enter on**
32 **or after the effective date of this 2025 Act.**

33 **SECTION 4. This 2025 Act takes effect on the 91st day after the date on which the 2025**
34 **regular session of the Eighty-third Legislative Assembly adjourns sine die.**

35